

### ***Moroccan Agriculture:***

Situated just north of the Sahara Desert in Northern Africa and nestled within the Mediterranean, Morocco is rich in agricultural products. Agriculture accounts for the most important segment of the Moroccan economy<sup>1</sup>. It is no wonder that serious weather related phenomena, such as drought, could wreak havoc on the livelihood of Moroccan citizens. In 2000 The Washington Times prepared a report stating that a two year drought was causing a severe problem within the demographics of Moroccan society<sup>2</sup>. As the article further describes, "The problem is that many farmers invested lots of money and thus lost a lot of money, which explains why so many went broke, lost their farms, and moved to the big cities." The drought reported in 2000, as well as future natural disasters have a great impact on the Moroccan economy and it directly effects their international business firms. The main reason for this is because Moroccan farmers produce everything from a variety of fruits, olives, and wheat. Of these crops, Morocco exports citrus fruits and tomatoes to the United States, Canada, and Europe<sup>1</sup>. It can be said that employing a differentiation strategy, Moroccan farmers are able to create a competitive advantage by utilizing the wide variety of climates and soil around the country. With these elements, Morocco is able to grow grapes, fruit, olives, and wheat in the north. Out west, they are able to grow oranges, vegetables, and even more wheat. In the southern region of the country, dates are most abundantly grown.<sup>1</sup> Ismail Alaoui recognized that the losses of farms during a period of draught could catastrophically change the economy and function of international business in Morocco. The main reason for his realization is that farmers make up 49% of the population of the country. In times of crisis, the Moroccan version of the US' Works Progress Administration subsidizes farmer's needs with a cache that they have set up in excess of \$65 million. This fund goes directly to the farmers, allowing them to keep their land and live on their farms in the midst of crisis.<sup>2</sup> With the great dependence on agriculture comes the increased risk to the economy. The US Department of State reports that, "Morocco's economic growth has been hampered by an over-reliance on their agricultural sector."<sup>3</sup> Agriculture depends heavily on rainfall levels and only ranges from 15%-20% of the country's GDP. Since the country is made up a vast majority of agriculture related workers droughts have an adverse effect on the economy.<sup>3</sup> As previously stated differentiation and high quality make Morocco a valuable Middle Eastern trading partner. Both the United States and Morocco benefit from a comparative advantage trade relationship. Recently, President Bush enacted foreign policy known as the Free Trade Act, a bilateral effort that is a crucial step towards a Middle East free trade area. This policy effectively eliminated tariffs on 95% of bilateral trade in consumer and industrial products with future eliminations in place.<sup>3</sup> The US is not the only major trade partner with Morocco. Due to its proximity, France is a major player in foreign relations with Morocco. Fruits and vegetables are among the many exports that Morocco shares with its partners. They also take in several technological, fuel, and textile imports from their partners. Morocco's exports total \$11.39 billion, a vast majority of this being agriculturally based.<sup>4</sup> Morocco's agriculture is a significant aspect of its economy. Countless citizens of the country as well as those around the

---

<sup>1</sup> ArabNet. Arab News: Morocco. 2002. 10-31-2007 [http://www.arab.net/morocco/mo\\_agriculture.htm](http://www.arab.net/morocco/mo_agriculture.htm)

<sup>2</sup> The Washington Times: International Special Reports. Morocco. 27 May 2003. 10-31-2007 <http://www.internationalspecialreports.com/africa/00/morocco/8.html>

<sup>3</sup> US Department of State. Background Note: Morocco. 1 Jan 2004. 10-31-2007 <http://www.state.gov/r/pa/ei/bgn/5431.htm>

<sup>4</sup> Central Intelligence Agency. CIA Fact book: Morocco. 18 Oct 2007. 10-31-2007 <https://www.cia.gov/library/publications/the-world-factbook/geos/mo.html>

world depend on Morocco's ability to grow a variety of crops. Morocco can maintain its competitive advantage by harnessing the rich climate and soil of its country. Likewise, Morocco can gain an absolute advantage in the agricultural segment of their economy and further gain recognition as a integral participant in the global arena.